

Contractor Address Activity Codes (AAC)

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Purpose of Contractor AAC

- ◆ Issued to companies performing AF contracts
- ◆ Allows contractor
 - ◆ to order and/or receive AF assets
 - ◆ to use government sources of supply

References

- ◆ AFI 24-230

- ◆ Maintaining DoD Activity Address Directory

- ◆ <https://www.afmc-mil.wpafb.af.mil/HQ-AFMC/LG/LSO/lot/>

Subcontractor AAC

- ◆ Saves time and money
 - ◆ Allows direct shipment to subcontractor vs shipment from prime to subcontractor

Liability Issues

- ◆ Prime responsible (FAR 45.502)
 - ◆ The contractor is directly responsible and accountable for all Government property IAW the requirements of the contract. This includes Government property in the possession or control of subcontractors.

Liability Issues Cont.

◆ Subcontractor responsibility

- ◆ Subcontractor will be held liable for inappropriate use of AAC
- ◆ Absent a direct contractual relationship, the Government still has rights to seek prosecution for fraudulent actions of subcontractor
- ◆ Prime contractor will not be held liable for fraudulent actions of subcontractor

Contractual requirements

◆ Option 1

- ◆ Include attachment to prime contract identifying subcontractors requiring AAC

◆ Option 2

- ◆ Negotiate special clause for inclusion in prime contract with requirement to flow down to all subcontracts

◆ Option 3

- ◆ No additional contractual document or language

Option 1

(Attachment)

◆ Pro

- ◆ Provides documentation of contractual relationship

◆ Cons

- ◆ Administrative burden requiring multiple contract modifications
- ◆ Currency dependent on modification

Option 2

(Special Clause)

◆ Pros

- ◆ Clear notification to subcontractors of responsibilities when using AAC
- ◆ One time contract modification

◆ Cons

- ◆ Special terms can be difficult to negotiate with prime
- ◆ Requires prime to flow down language

Option 2 cont. (Special Clause)

◆ Draft:

- ◆ Address Activity Codes (AAC) will be issued through the contracting officer for subcontractors requiring an AAC in performance of this contract. The assigned AAC is for official use only. Subcontractors will be held responsible and may be prosecuted for any fraudulent use of an AAC. This clause shall be incorporated by the prime contractor into all subcontracts requiring issuance of an AAC.

Option 3

(No Change)

◆ Pro

- ◆ No administrative action

◆ Con

- ◆ Assumes subcontractor understands responsibilities

Recommendation

- ◆ Contracting officer determines which option is appropriate
 - ◆ AAC codes are issued based on the contracting officer's request
 - ◆ Contracting officer is responsible for determining subcontractor need for AAC